

5:5-66

LEGISLATIVE HISTORY CHECKLIST

NJSA: 5:5-66

(Parimutual pool - provides for distribution at horse race meetings)

LAWS OF: 1983

CHAPTER: 157

Bill No: S3218

Sponsor(s): Codey and others

Date Introduced: March 30, 1983

Committee: Assembly: _____

Senate: _____

Amended during passage: /// No

Date of Passage: Assembly: April 11, 1983

Senate: March 30, 1983

Date of Approval: April 28, 1983

Following statements are attached if available:

Sponsor statement: Yes //

Committee statement: Assembly /// No

Senate /// No

Fiscal Note: /// No

Veto Message: /// No

Message on Signing: Yes //

Following were printed:

Reports: /// No

Hearings: /// No

See newspaper clipping (attached)

SENATE, No. 3218
STATE OF NEW JERSEY

INTRODUCED MARCH 30, 1983

By Senators CODEY, GAGLIANO, GORMLEY and KENNEDY

(Without Reference)

AN ACT providing for the distribution and disposition of the parimutuel pool at horse race meetings and amending P. L. 1940, c. 17.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 46 of P. L. 1940, c. 17 (C. 5:5-66) is amended to read
2 as follows:

3 46. Every permitholder engaged in the business of conducting
4 horse race meetings under this act, except the New Jersey Sports
5 and Exposition Authority established pursuant to P. L. 1971,
6 c. 137 (C. 5:10-1 et seq.), shall make disposition of the deposits
7 remaining undistributed pursuant to section 44 as follows:

8 a. In the case of harness races:

9 (1) Pay to the commission **[1.50%]** *1.25%* of so much of the
10 total contributions to all parimutuel pools conducted or made
11 during such calendar year on any and every horse race track
12 granted a permit under this act. Notwithstanding the foregoing, for
13 pools where the patron is required to select two horses, the permit-
14 holder shall pay to the commission **[2.50%]** *2.25%* of the total
15 contributions and for pools where the patron is required to select
16 three or more horses, the permitholder shall pay to the commission
17 **[5.50%]** *5.25%* of the total contributions.

18 Payment on account of such sums to be paid to the commission
19 shall be made every seventh day of any and every race meeting in
20 the amount then due as determined in the manner provided above;
21 and shall be accompanied by a report under oath showing the total

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

22 of all such contributions, together with such other information as
23 the commission may require. Except as otherwise provided by law,
24 no admission or amusement tax, excise tax, license or horse racing
25 fee of any kind shall be assessed or collected from any permit-
26 holder by the State of New Jersey, or by any county or munici-
27 pality, or by any other body having power to assess or collect
28 license fees or taxes.

29 (2) Hold and set aside in an account designated as a special
30 trust account 1.15% of such total contributions in all pools to be
31 used and distributed as hereinafter provided and as provided in
32 section 5 of P. L. 1967, c. 40, for the following purposes and no
33 other:

34 (a) 37% thereof to increase purses and grant awards for start-
35 ing horses as provided or as may be provided by rules of the New
36 Jersey Racing Commission with payment to be made in the same
37 manner as payment of other purses and awards;

38 (b) 55% thereof for the establishment of a Sire Stakes Pro-
39 gram for standardbred horses with payment to be made to the
40 Department of Agriculture for administration as hereinbefore
41 provided;

42 (c) 5% thereof for contributions and awards designed to
43 improve and promote the standardbred breeding industry in New
44 Jersey through payment of awards to owners and breeders of
45 New Jersey bred horses which are registered with the Standard-
46 bred Breeders' and Owners' Association of New Jersey and which
47 earn portions of purses in open events on New Jersey tracks,
48 and to owners of stallions posted on the official stallions roster of
49 the Standardbred Breeders' and Owners' Association of New
50 Jersey which sire such registered New Jersey bred money earners;

51 (d) 3% thereof for other New Jersey horse breeding and pro-
52 motion conducted by the New Jersey Department of Agriculture.

53 (3) Retain 7.20% of so much of such total contributions for
54 his own uses and purposes. Notwithstanding the foregoing, for
55 pools where the patron is required to select two horses, the
56 permitholder shall retain 7.70% of the total contributions and
57 for pools where the patron is required to select three or more
58 horses, the permitholder shall retain 9.20% of the total contribu-
59 tions. Each permitholder shall contribute out of its 9.20% share
60 of pools, where the patron is required to select three or more
61 horses, a sum deemed necessary by the Racing Commission, to
62 finance a prerace blood testing program, and such other testing
63 programs which the commission shall deem proper and necessary
64 and which shall be subject to the regulation and control of said
65 commission.

66 (4) Distribute as purse money and for programs designed to
 67 aid the horsemen and the Standardbred Breeders' and Owners'
 68 Association of New Jersey ~~7.15%~~ 7.40% of such total contribu-
 69 tions. Expenditures for programs designed to aid the horsemen and
 70 the Standardbred Breeders' and Owners' Association of New
 71 Jersey shall not exceed 3.2% of the sum available for distribution
 72 as purse money. The formula for distribution of the purse money
 73 as either overnight purses or special stakes shall be determined
 74 by an agreement between the Standardbred Breeders' and
 75 Owners' Association of New Jersey and the tracks. Notwithstand-
 76 ing the foregoing, for pools where the patron is required to select
 77 two or more horses, the permitholder shall distribute as purse
 78 money ~~7.65%~~ 7.90% of the total contributions and for pools
 79 where the patron is required to select three or more horses, the
 80 permitholder shall distribute as purse money ~~9.15%~~ 9.40% of the
 81 total contributions. Notwithstanding the foregoing, for pools where
 82 a patron is required to select three or more horses, each permit-
 83 holder shall retain out of the ~~9.15%~~ 9.40% to be distributed as
 84 purse money, a sum deemed necessary by the racing commission,
 85 for use by the commission to finance a prerace blood testing pro-
 86 gram, and such other testing programs which the commission shall
 87 deem proper and necessary and which shall be subject to the
 88 regulation and control of said commission.

89 b. In the case of running races:

90 (1) Where the amount derived from the parimutuel handle
 91 does not exceed \$1 million per day based on such contributions
 92 accumulated and averaged during the calendar year, the permit-
 93 holder shall:

94 (a) Pay to the commission 30% of 1% of so much of the total
 95 contributions to all parimutuel pools conducted or made during
 96 such calendar year; but notwithstanding the foregoing, for pools
 97 where the patron is required to select three or more horses, the
 98 permitholder shall pay to the commission 1.30% of the total
 99 contributions.

100 Payment on account of such sums to be paid to the commission
 101 shall be made every seventh day of any and every race meeting in
 102 the amount then due as determined in the manner provided above,
 103 and shall be accompanied by a report under oath showing the
 104 total of all such contributions, together with such other informa-
 105 tion as the commission may require. Except as otherwise provided
 106 by law, no admission or amusement tax, excise tax, license or
 107 horse racing fee of any kind shall be assessed or collected from
 108 any permitholder by the State of New Jersey, or by any county

109 or municipality, or by any other body having power to assess or
110 collect license fees or taxes.

111 (b) Hold and set aside in an account designated as a special
112 trust account 23% of 1% of such total contributions to be used
113 and distributed as hereinafter provided and as provided in section
114 5 of P. L. 1967, c. 40, for the following purposes and no other:

115 (i) 18% of 1% thereof for contributions and awards de-
116 signed to improve and promote the thoroughbred breeding
117 industry in New Jersey through payments of awards to
118 owners and breeders of registered New Jersey bred horses
119 which earn portions of purses in open events on New Jersey
119A tracks, and to owners of stallions posted on the official
119B stallion rosters of the Thoroughbred Breeders' Association
120 of New Jersey which sire such registered New Jersey bred
121 money winners;

122 (ii) 5% of 1% thereof for State horse breeding and devel-
123 opment programs, research, fairs, horse shows, youth activi-
124 ties, promotion and administration.

125 (c) Retain 9.73% of such total contributions for his own uses
126 and purposes. For pools where the patron is required to select
127 two horses, the permitholder shall retain 10.80% of the total
128 contributions and for pools where the patron is required to select
129 three or more horses, the permitholder shall retain 13.21% of the
130 total contributions.

131 (d) Distribute as purse money and for programs designed to
132 aid the horsemen and the New Jersey Horsemen's Benevolent
133 and Protective Association 6.00% of such contributions. Notwith-
134 standing the foregoing, for pools where the patron is required
135 to select two horses, the permitholder shall distribute as purse
136 money 6.93% of such contributions and for pools where the patron
137 is required to select three or more horses, the permitholder shall
138 distribute as purse money 9.02% of the total contributions. Ex-
139 penditures for programs designed to aid the horsemen and the
140 New Jersey Horsemen's Benevolent and Protective Association
141 shall not exceed 2.5% of the sum available for distribution as
142 purse money from all parimutuel pools. The formula for distri-
143 bution of the purse money as either overnight purses or special
144 stakes shall be determined by an agreement between the New
145 Jersey Horsemen's Benevolent and Protective Association and
146 the permitholder.

147 (e) (i) 50% of 1% of all pools shall be deducted and set aside in
148 a special trust account for the establishment and support by the
149 commission of the thoroughbred breeding industry in New Jersey;

150 to improve purses for closed races; to provide awards for owners
 151 and breeders of registered New Jersey bred horses who earn
 152 portions of purses in closed races at New Jersey race tracks and
 153 to owners of stallions posted on the official stallion rosters of the
 154 Thoroughbred Breeders' Association of New Jersey which sire
 155 such New Jersey bred money earners and awards to the New
 156 Jersey Thoroughbred Breeders' Association for programs bene-
 157 ficial to thoroughbred breeding in this State. The New Jersey
 158 thoroughbred award program shall be administered and disbursed
 159 by the commission while the thoroughbred open breeder awards
 160 shall be administered and disbursed by the New Jersey Depart-
 161 ment of Agriculture. The special trust account to be established
 162 pursuant to this paragraph shall be separate and apart from the
 163 special trust account established and maintained pursuant to
 164 subparagraph (b) of this paragraph.

165 (ii) 12% of 1% shall be deducted and set aside in a special trust
 166 account for the purpose of stabilizing the Thoroughbred Breeding
 167 Award Program. These funds shall be used by the New Jersey
 168 Racing Commission to supplement both the open and closed award
 169 programs. When necessary, the Racing Commission shall forward
 170 a portion of the funds to the Department of Agriculture for distri-
 171 bution to New Jersey bred horses that successfully compete in
 172 open races. Any sums not used shall revert to the State General
 173 Treasury.

174 (f) 12% of 1% shall be deposited in a separate special trust
 175 account for use by the commission in keeping thoroughbred tracks
 176 and stable facilities open during periods of time when they are not
 177 normally in operation when to do so would serve the public interest.

178 (g) Notwithstanding the foregoing, for pools where a patron is
 179 required to select three or more horses, 50% of 1% of the total
 180 contributions shall be held and set aside in the special trust account
 181 referred to in subparagraph (e) (i) of this paragraph.

182 (2) Where the amount derived from the parimutuel handle ex-
 183 ceeds \$1 million per day based on such contributions accumulated
 184 and averaged during the calendar year, the permitholder shall:

185 (a) Pay to the commission ~~3.22%~~ 2.87% of so much of the total
 186 contributions to all parimutuel pools conducted or made during
 187 such calendar year; but, notwithstanding the foregoing, for pools
 188 where the patron is required to select three or more horses, the
 189 permitholder shall pay to the commission ~~4.22%~~ 3.87% of the
 190 total contributions.

191 Payment on account of such sums to be paid to the commission
 192 shall be made every seventh day of any and every race meeting in

193 the amount then due as determined in the manner provided above,
 194 and shall be accompanied by a report under oath showing the total
 195 of all such contributions, together with such other information as
 196 the commission may require. Except as otherwise provided by law,
 197 no admission or amusement tax, excise tax, license or horse racing
 198 fee of any kind shall be assessed or collected from any permit-
 199 holder by the State of New Jersey, or by any county or municipi-
 200 pality, or by any other body having power to assess or collect
 201 license fees or taxes.

202 (b) Hold and set aside in an account designated as a special
 203 trust account 23% of 1% of such total contributions to be used and
 204 distributed as hereinafter provided and as provided in section 5
 205 of P. L. 1967, c. 40, for the following purposes and no other:

206 (i) 18% of 1% thereof for contributions and awards de-
 207 signed to improve and promote the thoroughbred breeding
 208 industry in New Jersey through payments of awards to owners
 209 and breeders of registered New Jersey bred horses which earn
 210 portions of purses in open events on New Jersey tracks, and to
 211 owners of stallions posted on the official stallion rosters of the
 212 Thoroughbred Breeders' Association of New Jersey which sire
 213 such registered New Jersey bred money winners;

214 (ii) 5% of 1% thereof for State horse breeding and devel-
 215 opment programs, research, fairs, horse shows, youth activi-
 216 ties, promotion and administration.

217 (c) Retain 6.81% of such total contributions for his own uses and
 218 purposes. For pools where the patron is required to select two
 219 horses, the permitholder shall retain 7.88% of the total contribu-
 220 tions and for pools where the patron is required to select three or
 221 more horses, the permitholder shall retain 10.29% of the total
 222 contributions.

223 (d) Distribute as purse money and for programs designed to aid
 224 the horsemen and the New Jersey Horsemen's Benevolent and
 225 Protective Association **[5.92%]** 6.17% of such contributions. Not-
 226 withstanding the foregoing, for pools where the patron is required
 227 to select two horses, the permitholder shall distribute as purse
 228 money **[6.85%]** 7.10% of such contributions and for pools where
 229 the patron is required to select three or more horses, the permit-
 230 holder shall distribute as purse money **[8.94%]** 9.19% of the total
 231 contributions. Expenditures for programs designed to aid the
 232 horsemen and the New Jersey Horsemen's Benevolent and Pro-
 233 tective Association shall not exceed 2.5% of the sum available for
 234 distribution as purse money from all parimutuel pools. The formula
 235 for distribution of the purse money as either overnight purses or

236 special stakes shall be determined by an agreement between the
237 New Jersey Horsemen's Benevolent and Protective Association
238 and the permitholder.

239 (e) (i) 50% of 1% of all pools shall be deducted and set aside
240 in a special trust account for the establishment and support by
241 the commission of the thoroughbred breeding industry in New
242 Jersey; to improve purses for closed races; to provide awards for
243 owners and breeders of registered New Jersey bred horses who
244 earn portions of purses in closed races at New Jersey race tracks
245 and to owners of stallions posted on the official stallion rosters of
246 the Thoroughbred Breeders' Association of New Jersey which sire
247 such New Jersey bred money earners and awards to New Jersey
248 **[Thoroughbred Breeders' Associations]** *thoroughbred breeders'*
249 *associations* for programs beneficial to thoroughbred breeding in
250 this State. The New Jersey thoroughbred award program shall be
251 administered and disbursed by the commission while the thorough-
252 bred open breeder award shall be administered and disbursed by
253 the New Jersey Department of Agriculture. The special trust
254 account to be established pursuant to this paragraph shall be
255 separate and apart from the special trust account established and
256 maintained pursuant to subparagraph (b) of this paragraph.

257-259 (ii) **[20%]** 30% of 1% shall be deducted and set aside in a spe-
260 cial trust account for the purpose of stabilizing the Thoroughbred
261 Breeding Award Program. These funds shall be used by the New
262 Jersey Racing Commission to supplement both the open and closed
263 award programs. When necessary, the Racing Commission shall
264 forward a portion of the funds to the Department of Agriculture
265 for distribution to New Jersey bred horses that successfully
266 compete in open races. Any sums not used shall revert to the
267 State General Treasury.

268 (f) 12% of 1% shall be deposited in a separate special trust
269 account for use by the New Jersey Racing Commission in keeping
270 thoroughbred tracks and stable facilities open during periods of
271 time when they are not normally in operation when to do so would
272 serve the public interest.

273 (g) Notwithstanding the foregoing, for pools where a patron is
274 required to select three or more horses, 50% of 1% of the total
275 contributions shall be held and set aside in the special trust account
276 referred to in subparagraph (e) (i) of this paragraph.

277 Notwithstanding any other provision of this section, every har-
278 ness permitholder engaged in the business of conducting harness
279 race meetings shall retain from the funds designated in subsection
280 a. (1) of this section an additional 20% of 1% of the total contribu-

281 tions to all parimutuel pools for his own uses and purposes, in
282 addition to those sums herein mentioned in subsection a. (3) of
283 this section, during the period of November 1 to March 31, referred
284 to as winter racing days. Any running race permitholder operat-
285 ing pursuant to subsection b. (2) of this section shall retain from
286 the funds designated in subsection b. (2) (a) an additional 1% of
287 the total contributions to all parimutuel pools for his own uses
288 and purposes, in addition to those sums herein mentioned in sub-
289 section b. (2) (c), for any winter racing days as herein defined;
290 and commencing June 1, 1982, shall retain from the funds desig-
291 nated in subsection b. (2) (a) an additional 1% of the total
292 contributions during the months of June, July, August and Septem-
293 ber to all parimutuel pools for his own uses and purposes, in
294 addition to those sums herein mentioned in subsection b. (2) (c),
295 when a harness race meeting, other than one conducted by the New
296 Jersey Sports and Exposition Authority, is operating concurrently.

1 2. This act shall take effect immediately.

STATEMENT

This bill provides for the following with respect to the distribution and disposition of the parimutuel pool at horse race meetings:

(1) The State's share of the pool at a harness racetrack is reduced by .25%, and this amount is added to purse money at such a track.

(2) The State's share of the pool at a thoroughbred racetrack whose parimutuel pool exceeds \$1 million per day is reduced by .35%, and .25% is added to purse money at such a track and .10% to the special trust account for stabilizing the Thoroughbred Breeding Award Program.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATELY

CONTACT: CARL GOLDEN

THURSDAY, APRIL 28, 1983

Governor Thomas H. Kean today signed legislation to reduce the State's tax on parimutuel pools at three race tracks in the State and to require the funds to be allocated to purses or to the breeding program.

The legislation, S-3218, was sponsored by Senator Richard Codey, (D-Essex).

The legislation reduces the State's share of the parimutuel handle by .35 percent, a loss to the State of \$826,000. The tax at Freehold Race Track, the only private harness track, will be reduced by .25 percent and the additional money added to purses at the track.

The remaining .10 percent reduction will apply to Monmouth Park and Atlantic City racetracks and the funds used to support the thoroughbred breeding award program.

The Governor also signed S-3219, sponsored by Codey, which continues provisions enacted last year providing for the distribution of parimutuel pool at Monmouth Park, the only privately-owned track which begins operations before June 1.

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